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Via Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *Notice of Ex Parte Presentation*: National Exchange Carrier Association, Inc.
Petition to Amend Section 69.104 of the Commission's Rules., RM No. 10603.

Dear Ms. Dortch;

Today, March 14, 2003, Paul Malandrakis and I met with Judith Nitsche, Aaron Goldschmidt, Jeremy Marcus and Doug Slotten of the Pricing Policy Division of the FCC's Wireline Competition Bureau. The purpose of the meeting was to discuss AT&T's opposition to the National Exchange Carriers Association petition to amend section 69.104 of the Commission's rules. AT&T re-emphasized that NECA is simply seeking to shift the recovery of costs from SLCs paid by business end-users to carrier loop charges (CCL) or the USF. Such a dramatic shift necessitates that NECA bear a substantial burden of proving that such changes are consistent with the public interest. The Commission has explicitly determined that recovery of common line charges through access rates is inefficient and should be phased out. The Commission has also recognized that there is a need to monitor closely the size and composition of the USF. NECA's proposed rule change would increase both the amount of subsidies rate of return carriers recover through interstate access charges and from the USF and cannot be reconciled to these prior rulings.

The positions expressed by AT&T were consistent with those expressed in AT&T's filed opposition.

Consistent with the Commission rules, I am submitting one electronic copy of this notice and request that you place it in the record of the proceedings referenced above.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick H. Merrick".